

(Exhibit B)

*This document was prepared by the law firm of Reed & Reed, P.C.
The existence of title insurance is unknown to the preparer of this instrument*

Tax Map #s 72-(A)-29K, 2G, 51D, 21, 1A & 29L

PURCHASE MONEY DEED OF TRUST

THIS PURCHASE MONEY DEED OF TRUST, made and entered into this 29th day of December, 2008, by and between the **ECONOMIC DEVELOPMENT AUTHORITY OF PAGE COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia, GRANTOR/PARTY OF THE FIRST PART, and **MARK N. REED** of 16 South Court Street, Luray, Virginia, and **ROBERT S. JANNEY** of 12 South Court Street, Luray, Virginia, either one or both of whom may act, hereinafter referred to as TRUSTEES, GRANTEES/PARTIES OF THE SECOND PART, and **REBECCA GRAVES HUDSON**, hereinafter called "Beneficiary",

WITNESSETH:

That for and in consideration of the sum of ONE (\$1.00) DOLLAR, cash in hand paid by the Parties of the Second Part to the Party of the First Part, receipt whereof is hereby acknowledged, and upon the trust hereinafter declared, the Party of the First Part does hereby grant and convey with General Warranty and English Covenants of title, unto Mark N. Reed and Robert S. Janney, as Trustees, either one or both of whom may act, Parties of the Second Part, in trust for the purposes hereafter set forth, all those certain lots or parcels of land with all improvements thereon and all rights, easements and appurtenances thereunto belonging, lying and being situate in the Marksville Magisterial District, in Page County, Virginia, and more particularly described on the attached Exhibit A.

This conveyance is made SUBJECT to all easements, conditions and restrictions of record, if any, insofar as they may lawfully affect the property.

The aforesaid real estate is conveyed to the Trustees, **IN TRUST** to secure the payment of that certain negotiable promissory note of even date hereof, made by the Party of the First Part, in the principal amount of **SIX MILLION FIVE HUNDRED THOUSAND DOLLARS (\$6,500,000.00)** and payable to Rebecca Graves Hudson, or order, on or before January 1, 2014.

This deed of trust secures Rebecca Graves Hudson, or her assignees, (a) the repayment of the debt evidenced by the aforesaid note, with interest and all renewals, extensions and modifications of the note, (b) the payment of all other sums, and the performance of all of the Party of the First Part's covenants and agreements contained in this deed of trust and/or the aforesaid note; and (c) all increases in the rate of interest which may occur upon any extensions or renewals of the note.

THE PARTY OF THE FIRST PART covenants and agrees to keep the improvements thereon constantly insured in some good and responsible fire insurance company against loss by fire in a sum of not less than their fair market value, for the benefit of the holder of said note, with a Standard Mortgagee Clause to the said Trustees, and to deliver the policy to the beneficiary herein, and upon their failure so to do that the holder of said note may effect such insurance upon said improvements in such a sum as is deemed adequate for the security of the debt herein secured, at the expense of the Party of the First Part (it is understood and agreed that the Party of the First Part shall have the right to demolish, tear down or remove any improvement located on the Property at any time in order to accommodate its development of the Property); but it shall not be incumbent upon the holder of said note to effect or renew any insurance upon the improvements on said Property, but that all premiums and taxes paid therefore, if any, with

interest from the date of payment, shall constitute a lien under and by virtue of this deed of trust on the property herein conveyed and in the event of a sale hereunder shall be treated as a part of the debt herein secured, and as a part of the cost of executing this trust, and if there be no sale hereunder then all such premiums, taxes and levies are to be recoverable by all of the remedies at law or in equity by which the debt aforesaid may be recoverable.

UNLESS Beneficiary and the Party of the First Part otherwise agree in writing, insurance proceeds shall be applied to the sums secured by this security instrument, whether or not then due, with any excess paid to the Party of the First Part. If the Party of the First Part does not answer within 45 days to a notice from the Beneficiary that the insurance carrier has offered to settle a claim, then the Beneficiary may collect the insurance proceeds. The Beneficiary may use the proceeds to repair or restore the Property or to pay sums secured by this security instrument, whether or not then due. The 45-day period will begin when the notice is given.

UNLESS Beneficiary and the Party of the First Part otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to above.

IF DEFAULT SHALL BE MADE in the payment of said note or any installment of principal or interest thereon as hereinabove provided, when they become due and payable, and the Party of the First Part does not cure this defect within forty-five (45) days of written notice from the Beneficiary to do so, then the said Trustees, on being requested so to do by the holder of said note, shall sell the property herein conveyed in accordance with Section 55-59, and 55-60, Virginia Code of 1950, and all acts amendatory thereto, as in such cases made and provided for, in all respects which are not otherwise provided herein.

IN THE EVENT OF DEFAULT in any of the obligations hereinabove set forth and the Trustees are requested by the holder of the note herein secured, to sell the Property herein conveyed, said sale shall be at public auction at such time and place and upon such terms as may be determined by the Trustees, after having advertised the time, place and terms of said sale once a week for four successive weeks in a newspaper in general circulation in the County in which the property is located, and by such additional advertisements as the Trustees may deem advisable.

The proceeds of the sale, after deducting all expenses of such sale and advancements, including necessary attorney's fees, and a reasonable Trustees' commission not to exceed five percent (5%) upon the gross proceeds of said sale, shall be applied to the payment of the note then unpaid, which is to be then paid whether due or not, and all interest which shall have accrued thereon; and after the payment of said note with accrued interest thereon, the residue, if any, shall be paid to said Party of the First Part, its successors or assigns, as their interest may appear. If the Trustees are instructed to sell the Property and, for any reason, the Property is advertised but not sold by the Trustees, the Grantor shall pay to the Trustees all actually incurred costs plus a fee of one (1 %) percent of the amount of the debt incurred by this Deed of Trust, the payment of which shall also be secured by the Property.

BUT IF NO DEFAULT SHALL BE MADE in any of the above obligations, then upon the request of the Parties of the First Part, a good and sufficient release shall be executed to them at their expense.

NOTICE - THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED, PROVIDED HOWEVER, THE PROPERTY HEREIN

SECURED OR ANY PORTION THEREOF MAY BE TRANSFERRED TO PAGE COUNTY, VIRGINIA AT ANY TIME, SUBJECT TO THE LIEN OF THIS DEED OF TRUST, IN WHICH EVENT THE DEBT HEREBY SECURED SHALL NOT BE SUBJECT TO CALL.

The Party of the First Part shall have the right to have a total of twenty eight (28) acres of the land in such location(s) of its choice, herein secured released from the lien of this deed of trust upon its written request to the Beneficiary. In addition, the Party of the First Part shall have the right to obtain release from this deed of trust lien such other land herein secured from time to time upon payment to the Beneficiary of a sum equal to \$44,500.00 per acre. This sum shall be applied first to accrued interest and then to the principal on the Note herein secured. Upon receipt of such a land release request and any required payment, the Beneficiary shall promptly execute an appropriate partial release to release such land from this deed of trust's lien. During the first year of this deed of trust, the Party of the First Part shall not request the release of the current dwelling house located on the Property and the one acre yard surrounding it.

Pursuant to Virginia Code Section 55-60 (9), "Substitution of Trustees permitted "solely at the note holder's discretion.

NOTICE: NEITHER THE COMMONWEALTH OF VIRGINIA, NOR ANY POLITICAL SUBDIVISION THEREOF NOR THE ECONOMIC DEVELOPMENT AUTHORITY OF PAGE COUNTY SHALL BE OBLIGATED TO PAY THE NOTE HEREIN SECURED OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO INCLUDING ANY COSTS CONTAINED IN THIS DEED OF TRUST EXCEPT FROM THE PROPERTY HEREBY SECURED AND THAT NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE NOTE HEREIN SECURED OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO INCLUDING ANY COSTS PROVIDED FOR IN THIS DEED OF TRUST.

NOTICE: NEITHER THE ECONOMIC DEVELOPMENT AUTHORITY OF PAGE COUNTY NOR ITS LEGAL COUNSEL MAKE ANY REPRESENTATIONS CONCERNING THE TAX TREATMENT OF THIS INSTRUMENT OR NOTE ITS SECURES OR THE INTEREST DERIVED THERE FROM.

WITNESS the following signatures and seal.

**ECONOMIC DEVELOPMENT
AUTHORITY OF PAGE COUNTY**

(S E A L)

BY: _____
Lowell B. Baughan, its Chair

Attest: _____
Carolyn Miller, Secretary

**COMMONWEALTH OF VIRGINIA,
COUNTY OF PAGE, TO-WIT:**

The foregoing instrument was acknowledged before me this _____ day of December, 2008, by Lowell B. Baughan and Carolyn Miller, in their capacity as Chair and Secretary respectively of the Board of Directors of the Economic Development Authority of Page County, Virginia, on behalf of said Authority.

My commission expires: _____.

My commission number is: _____.

Notary Public